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SUBJECT: RESERVE BANK GOVERNOR GONO ON MUGABE, ELECTIONS,
AND THE ECONOMY

REF: 07 HARARE 795

Classified By: Amb. James D. McGee for reasons 1.4 (b) and (d)

SUMMARY

11. (C) In a meeting with the Ambassador at the Reserve Bank on January 30, Governor Gideon Gono told the Ambassador that President Robert Mugabe was old and not well. Nevertheless, Mugabe was reluctant to step down because of internal problems within ZANU-PF and lack of an identifiable successor. On the upcoming elections, Gono said Zimbabwe was prepared; he provided materials to the Ambassador indicating the Reserve Bank had expended USD 4.7 million on logistics and materials. Finally, Gono portrayed himself as the patron saint of Zimbabwe's vulnerable. Acknowledging Zimbabwe's dire economic predicament, he said his inability to right the economy was a result of lack of will on the part of his political masters; despite this, he was doing what he could to alleviate suffering. END SUMMARY.

Mugabe Hanging In

12. (C) Gono had previously told us (Reftel) that Mugabe was suffering from cancer and had promised his doctor he would step down after the election. Gono was not as specific in this meeting. He acknowledged Mugabe was ill and said he would be less active after the election. He mentioned he was seeing Mugabe's wife, Grace, later in the day to discuss the president.

13. (C) Gono told the Ambassador he had suggested to Mugabe that he retire from politics and concentrate on his memoirs. Mugabe was resistant because of uncertainty of who and what would succeed him. Trust had broken down between him and the

Mujuru faction, there was corruption throughout the party, and there was no one he had confidence in as a successor. Also, he viewed land reform as a legacy and wanted to ensure it would not be reversed.

14. (C) Still on the topic of succession, Gono said that the architects of a Simba Makoni presidency (presumably Ibbo Mandaza and Jonathan Moyo) lacked credibility. Any successor to Mugabe, Gono added, would need the support of the military. He implied that nobody as yet had this.

Zimbabwe Prepared for Elections

15. (C) Reflecting Mugabe and ZANU-PF's hope of gaining legitimacy through the upcoming elections, Gono told the Ambassador he viewed as essential a credible election process, including the run-up to the election and the election itself. He presented the Ambassador with documents indicating the Zimbabwe Electoral Commission had formulated a USD 4.7 million budget in October for materials and logistics. He said the Reserve Bank had honored the budget; the documents reflected payments to a Chinese company for ballot boxes (67,000), to a Swiss company for indelible ink, to a Botswanan company for tents, to Zimbabwean companies for sundry items (including 65 vehicles), and to the GOZ for delimitation and registration.

The Political Economy

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16. (C) Gono stated that the political environment accounted for 75 percent of Zimbabwe's economic challenges. He was blamed for Zimbabwe's economic woes--such as inflation, lack of drugs, lack of fertilizer, and lack of consumer goods--but the political climate, which was "not pleasing," prevented him from taking effective measures. Even the MDC's Tsvangirai and Ncube, who consulted with him from time to

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time, understood his problems and wanted him to continue as Governor. Recognizing what the mismanaged economy was doing to the average Zimbabwean, Gono said he was acting as a "Red Cross" for the most vulnerable.

17. (C) Casting himself as a voice of reason amidst what he perceived as a sclerotic ZANU-PF and a jejune MDC, Gono said he had prevailed on Mugabe not to sign legislation passed by Parliament that would have had detrimental effects on Zimbabwe. These included an NGO bill that would have made it more difficult for NGOs to operate and a mining bill that required onerous indigenization and would have scared off investors. He also pointed out that he had publicly opposed the June price control program.

18. (C) Gono said he had told Mugabe there needed to be an economic reality check after the election. His (Gono's) priorities included normalization of international relations, including a lifting of sanctions; an economic package that would be attractive to international investors; a finalization of the land reform issues; attention to mining and international investment in that sector, and an attack on official corruption, particularly in high places.

COMMENT

19. (C) Gono is close to Mugabe and therefore a potentially useful interlocutor, both for information about Mugabe and as a conduit for our message that assistance will come after reform. Gono has had (and may still have) presidential

ambitions, and has been the object of attack, particularly from within the Mujuru faction. He acknowledged that his canceling of several previous meetings was because of fear of being seen with the U.S. ambassador while intense ZANU-PF infighting was occurring.

¶10. (C) COMMENT CONTINUED: On the economy, Gono is obviously correct that underlying problems are political. He is disingenuous, however, in portraying himself as principled and above the fray. He told the Ambassador he had argued for a fair, non-racial land reform program, and he has stated on other occasions that farm seizures should cease. But sources within the Commercial Farmers Union have told us that high-level Reserve Bank officials in the last few months have claimed white-owned farms. And while Gono rails against corruption, the Reserve Bank continues to selectively allow ZANU-PF official access to forex at the official rate. END COMMENT.

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